



different way, same result

Explanation of fee disclosure changes (RG97)

You may have noticed some changes in the way we describe our fees.

From 30 September 2017, all super funds were required to disclose fees and costs differently to enhance transparency. Importantly, it may appear that costs have increased, but HESTA has not increased its fees - we've just changed the way we disclose them.

In our 'Fees and costs' you will now see an Investment fee as well as an Indirect Cost Ratio (ICR).

The Investment fee is treated the same way as the ICR and is deducted from investments before earnings are applied (before unit prices are declared).

In addition to the Investment fee and ICR, HESTA also discloses other costs that may be incurred by the fund when investing. These costs do not form part of the Investment fee or ICR, unless stated, and are an additional cost to members. These costs are also deducted from investments before earnings are applied.

The Investment fee shown in our Product Disclosure Statement of 28 September 2017 includes performance fees and the management fees investment managers charge HESTA when managing investments.

The ICR is made up of costs of investing in some investments which HESTA has elected to treat as indirect costs.

Super funds can choose to disclose some investment costs as an ICR instead of an investment fee or include everything in the investment fee and have no ICR. HESTA has decided to disclose some costs as an ICR. Due to this there will be some inconsistency between funds when comparing fees.

Rest assured, although we describe our fees differently, our fees have not increased.

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